



Kansas WIC Program Vendor Manual

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Introduction	4
What Role does the Vendor Play?	6
WIC Vendor Website.....	6
WIC Food Delivery System	6
Vendor Responsibilities.....	7
Local Agency Responsibilities.....	8
State Agency Responsibilities	9
Vendor Evaluation and Selection Criteria.....	9
Vendor Management Groups and Monitoring	11
Contract Cycle.....	11
New Vendor Applications	12
Vendor Name Changes or Relocations	12
Vendor Change of Ownership or Termination of Operations.....	12
Vendor Authorization.....	12
Confidentiality of Vendor Information	12
Reporting Sales Information.....	13
WIC Door Decal	13
Authorized WIC Vendor Stamp	14
Altered Checks.....	14
First and Last Day to Use Dates	14
Authorized Corrections to Check Errors	14
WIC Purchases and Non-WIC Purchases.....	14
Approved Foods.....	14
Sales Tax	15
Coupons/Store Specials/Loyalty Cards	15
Rain Checks.....	15
Totaling the Check	15
Cashiers Initials.....	15
Use of Cash Register to Imprint WIC Transactions (endorsement of WIC check)	15
Client Signature and Date of Purchase	16
Verifying Identity of WIC Customer	16
Proxy Signature.....	16
Cash Register Receipts.....	16
Reimbursement Process Information (including ACH)	16
Exchanges and Refunds	17
Visits to the Vendor	18
Vendor Stock Requirements	18
Employee Training	18
Quarterly Price Assessment (QPA)	18
Use of the WIC Acronym and Logo	19
Use of Shelf Labels	19
Customer Relations and Complaints.....	19
Vendor Complaints against WIC Clients	19
Non-Discrimination and Civil Rights	20
Vendor Contract Violation, Sanctions & Appeal Rights	21
Administrative Review Process	27
Appendix	34

Introduction

Thank you for your interest in becoming a vendor of authorized foods prescribed for clients in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The role of a WIC vendor is an important one, and your interest in becoming part of this program is appreciated. In partnership with the Kansas Department of Health and Environment (KDHE) and health agencies in your area, you will be working to improve the health of citizens throughout your community and Kansas.

If you have any questions or suggestions regarding the program, call your Local WIC Agency (LA) or the State WIC Agency (SA) at 785-296-1320 (voice), 785-296-1326 (fax) or toll free at 1-800-332-6262. Note: the 800 number is a KDHE general assistance line. Ask for the WIC office and your call will be transferred. You may write the SA at:

KDHE - Nutrition and WIC Services
1000 SW Jackson St., Suite 220
Topeka, KS 66612-1274

History of WIC

Federal law established the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) in 1972. This cost-effective nutrition intervention program is designed to improve the nutritional status of eligible pregnant, breastfeeding and postpartum women, infants and children up to the age of five years who are determined at risk. WIC was first offered in Kansas in 1974. WIC program services are provided throughout the state by county health agencies.

Purpose

Studies have shown that inadequate nutrition and health care represent a special threat to the physical and mental well-being of people. The greatest risk is to limited income pregnant women, women who have recently given birth, breastfeeding women, infants, and children up to five years of age. Congress established WIC as a response to these findings.

All WIC activities are carefully coordinated so appropriate action can be taken during critical stages of growth and development. Serious nutrition problems can thus be prevented and the overall health status of clients can be improved.

Administration

The U.S. Department of Agriculture (USDA) provides KDHE with funds to operate WIC. KDHE in turn makes the funds available to qualified LAs, who operate the program in their communities. Eligible agencies must be able to provide appropriate health and nutrition services as well as administer the program. A copy of the Federal regulations covering the food delivery system may be obtained upon request to the SA or by visiting <http://www.fns.usda.gov/wic/lawsandregulations/default.htm>

How WIC differs from other food assistance programs (such as the Kansas Food Assistance Program)

Only those vendors able to fulfill the specific WIC requirements are authorized to accept WIC checks.

Designated foods are provided that contain key nutrients that are essential for good health. Foods provided are individually tailored according to the client's nutritional needs. The WIC food package assigned to a WIC client is a nutritional prescription the same way medicine is a pharmaceutical prescription. It should be noted that the foods supplied through WIC are not intended to serve as a complete diet, but only to supplement the foods already being consumed by the client.

Program Benefits

WIC provides three types of services:

1. Nutrition Education. Nutrition education is required for all WIC clients. This may take the form of one-to-one counseling or group sessions. The topics covered typically include nutrition and pregnancy, breastfeeding, the proper use and nutritional significance of WIC foods, the importance of good health care, and how to maintain an adequate diet.
2. Referrals to other Health Services. WIC clients are referred to health services either through the WIC agency itself or to other providers in the community. Clients are encouraged to take advantage of these services. If a person being certified for WIC is identified as having a specific problem, the person is referred to the appropriate provider for follow-up services.
3. Nutritious Supplemental Foods. WIC foods are selected because they contain high levels of specific nutrients that have been found to be generally lacking in the diets of the targeted population. A qualified health professional determines the types and quantities of food prescribed for each individual based on an individual nutrition assessment.

What Role does the Vendor Play?

WIC vendors play an important role in the health community. WIC checks contain a food prescription designed to supplement the WIC client's nutritional needs. The vendor fills the prescription, ensuring that the client receives what is prescribed on the check. Vendors act as the final step in the WIC process. The vendor's role is vital to the success of the WIC program because the nutritious WIC foods are designed to promote the healthiest possible birth outcomes, as well as the growth and development of children.



WIC Vendor Website

Information about the Kansas WIC Program is located at www.kansaswic.org. There is a link for Vendor Information on the left side that provides electronic versions of all vendor forms, manuals and past correspondence sent out from the State Agency. The policies and procedures that govern Vendor Management in the Kansas WIC program are also available on this website under the "Information for WIC Local Agencies" link. http://www.kansaswic.org/local_agencies/policy_procedure_manual.html



Important Notice

The Kansas WIC Program sends out important information that can assist vendors in maintaining compliance with the Kansas WIC Program. It is essential that all correspondence received is read and distributed to appropriate staff members.

WIC Food Delivery System

About every three months, a WIC client visits a WIC clinic and receives a specific quantity of WIC checks and Fruit and Vegetable checks (FVC). A WIC client may use WIC checks to purchase the authorized foods from any authorized Kansas WIC vendor. The WIC checks specify the types and quantities of food that may be purchased. The FVC specifies a specific dollar amount that the client can use toward the purchase of fresh, frozen, or canned fruits and/or vegetables.

Infant Formula and Rebates

The Kansas WIC program contracts with an infant formula manufacturer using a competitive bid process. The Kansas WIC program agrees to purchase the manufacturer's formula and in return, the manufacturer agrees to pay a rebate for each container of their infant formula purchased through the WIC program. Because of the competitive bidding process, the infant formula brand provided by the program is subject to change.

Vendor Responsibilities

It is the responsibility of the WIC vendor to follow the policies and procedures of WIC. These responsibilities include but are not limited to the following:

1. Comply with requirements specified in the Vendor Participation Contract and this Kansas WIC Vendor Manual.
2. Purchase infant formula from the Approved List of Infant Formula Wholesalers/Retailers/Manufacturers **only**.
3. Accept and process WIC checks only within the confines of the store.
4. Ensure that a minimum stock of WIC foods with future expiration dates is on the shelves at all times. (Certain exceptions are allowed. Refer to policy VEN 02.03.00 Minimum Stock Requirements for a more information regarding minimum stock requirements.)
5. Post the WIC approved door decal in a highly visible location on or near entrances to the store.
6. Assure that WIC clients purchase only WIC foods identified in the approved foods section of the WIC Program Booklet.
7. Give all WIC clients the same service and the same courtesies as non-WIC customers.
8. Deposit all properly redeemed WIC checks prior to the "Vendor must Deposit by Date" printed on the face of the check.
9. At least one employee is to attend and complete all required training. That employee is then responsible to train all store employees on WIC procedures and distribute WIC materials.
10. Keep the current WIC Program Booklet at each cash register.
11. Submit timely, accurate Quarterly Price Assessments (QPA) of listed foods as required by the State Agency.
12. Cooperate with WIC officials when the store is being evaluated or monitored.
13. Do not use any incentives, "give aways", specials, or the like, for the purpose of encouraging or otherwise enticing WIC clients to redeem their WIC checks at the store.
14. Notify the Local WIC Agency or the State Agency in writing at least fifteen (15) days in advance of when the store ceases operation, changes ownership, name, or location. In these instances, except for a name change and/or close proximity location change, the State Agency shall terminate the vendor contract.
15. Compliance with the vendor selection criteria must be maintained throughout the contract period, including any changes to the criteria.

Local Agency Responsibilities

Local Agencies are the direct avenue by which WIC services are made possible. They are also the contact for the WIC vendor when dealing with challenges within the WIC food delivery system. Local Agency staff members have many responsibilities that include:

1. Recruit vendors as needed and serve as the primary vendor contact.
2. Interact with and provide supervision to vendors on issues related to check redemption, contract violations, complaints and allegations of program abuse by vendors or clients.
3. Evaluate new vendors during application processing and monitor existing vendors at other times throughout the contract period.
4. Provide training annually to all vendors and technical assistance as needed unless directed otherwise by the State Agency.
5. Provide vendors monthly food redemption summaries to ensure minimum inventory is maintained.
6. Investigate and respond to complaints received from both vendors and clients and issue warning letters when indicated.
7. Participate in fair hearings, administrative hearings, and appeals as necessary.
8. Train new WIC vendors in the proper procedures prior to the time of contract authorization, unless directed otherwise by the State Agency.
9. Send warning letters to vendors for contract violations as noted during monitoring visits and during investigations.

State Agency Responsibilities

The State Agency assures that all food delivery policies and procedures as required by USDA are adhered to. The State Agency is responsible for the following duties:

1. Reimburse vendors for all validly redeemed and deposited checks.
2. Interact with and provide supervision to vendors on issues related to check redemption, contract violations, complaints, allegations of program abuse by either vendors or clients, and administrative hearings.
3. Provide information to vendors regarding major changes in the WIC food delivery system prior to implementation of those changes.
4. Provide a toll free number for vendors use to report any problems, concerns, fraud or abuse. The toll-free number is 1(800) 332-6262.
5. Review and approve or disapprove all vendor applications.
6. Review reports of the performance of vendors completed by the Local Agency.
7. Provide materials and training guidance for the Local Agency to assist vendors in reducing problems in processing WIC checks.
8. Train and evaluate Local Agency in their responsibilities with vendors.
9. Collect the QPA submitted by vendors to adjust reimbursement levels for WIC approved food categories.
10. Issue warning letters for contract violations as appropriate and impose contract sanctions as indicated.
11. Maintain vendor confidentiality. Any information relating to a vendor that individually identifies the vendor, except name, address, email, website, store type, and authorization status will remain confidential.

Vendor Evaluation and Selection Criteria

The Kansas WIC program provides authorized foods to clients via a retail purchase system using contracted grocery vendors. The State Agency (SA) does not authorize home delivery or direct distribution systems. The SA has established criteria to evaluate and select vendors for initial and continuing authorization in the WIC Program. The SA may limit the number of authorized vendors to assure that state and local officials can effectively manage the evaluation and monitoring. The authority to limit the number of authorized vendors is in the Federal Regulations located at 7 CFR § 246.12(g) (2).

Using the established criteria, the SA will authorize food vendors in order to ensure adequate client access to grocery stores.

- ◆ If there is inadequate client access to a WIC vendor, the SA may exempt full-line grocery stores from criteria 1, 2, 3, 4, 7 and 8. Except for certain exemptions regarding infant formula, there will be no exemptions made from criteria 5 (minimum quantity of authorized foods) and criteria 6 (comparable prices) for full-line grocery stores.
- ◆ If there is inadequate client access to a WIC vendor, the SA may exempt pharmacies and non-profit vendors from criteria 1, 2, 3, 4, 6, 7 and 8. Except for certain exemptions regarding infant formula, there will be no exemptions made from criteria 5 (minimum quantity of authorized foods) for exempt pharmacies and non-profit vendors.
- ◆ The Kansas WIC program shall not authorize and will terminate any vendor who derives more than 50 percent of their annual gross food sales from items sold to the WIC program.

Applicant and authorized vendors must consistently meet all the following criteria throughout the contract period, including any changes to the criteria.

1. Vendors must be licensed by the Kansas Department of Agriculture as a retail grocery store.
 - a. Military Commissaries are considered retail grocery stores.
2. Vendors must provide foods from stationary locations, have a minimum food sales area of 2,000 square feet or more, and be accessible to clients with disabilities.
3. Vendors must not currently be disqualified from participating in the Kansas Food Assistance Program.
4. The vendor must maintain a minimum stock of WIC approved foods. (Refer to policy VEN 02.03.00 Minimum Stock Requirements for a more information regarding minimum stock requirements.)
5. At the time of application or contract renewal, the vendor's prices must meet pricing requirements with the average prices established for the peer group they would be placed in. Vendors with the lowest prices for WIC foods will be given preference for authorization over vendors with higher priced WIC food items.

The SA will use the Vendor Price Survey and/or Quarterly Price Assessment (QPA) to assess the vendor's prices. The SA will determine the average prices of representative WIC allowable foods of all WIC vendors by peer group using results from the most recent QPA.

All prices on the applicant's Vendor Price Survey or existing authorized vendor's QPA will be assessed against the peer group average price plus 10% for each surveyed food. The peer group data used will correspond to the peer group to which the vendor has been assigned. Any vendor with more than 50% of their food type prices above the peer group adjusted food price will be considered high priced. Any vendor with more than 75% of their food prices above the peer group adjusted food price will be considered very high priced. High and very high priced vendors will be considered for program participation only when no other vendor with lower prices meets the remaining selection criteria.

6. Vendors that have fifteen (15) or more points in the previous year will not be allowed to continue as a WIC vendor.
7. Vendors must produce a dated cash register receipt to document each sale. The receipt should give a product description of food items purchased and unit prices for each food item to allow auditing of foods sold to WIC clients.
8. Vendors must purchase infant formula from the Approved Infant Formula list.
9. The SA will consider business integrity when determining eligibility for selection as a vendor. Activities indicating a lack of business integrity include, but are not limited to the following:
 - a. Fraud;
 - b. Antitrust violation;
 - c. Embezzlement, theft, or forgery;
 - d. Bribery;
 - e. Falsification or destruction of records;
 - f. Making false statements or claims;
 - g. Receiving stolen property;
 - h. Obstruction of justice;
 - i. Other evidence reflecting on business integrity and reputation of the applicant;
 - j. Arson;
 - k. Conspiracy; or
 - l. Official records of removal from any federal, state or local programs.

The SA will not contract with any vendor that has been disqualified from an USDA, Food and Nutrition Services (FNS) program during the last six (6) years or if any of the vendor applicant's current owners, officers, or managers have civil judgment entered against them for, or have been convicted of any activity indicating a lack of business integrity. The SA shall determine which offenses apply. The vendor must have and maintain a positive compliance history with any and all FNS programs, if currently or formerly a vendor for those programs.

10. For existing vendors, sufficient client usage of the store location must exist. Newly approved vendors will be evaluated after completing one year of participation as a WIC vendor.

- a. Proximity Standard: When there is a question of proximity, maps will be used to determine the geographic relationship of one vendor to another WIC vendor.
 - i. Rural Counties: Vendors located 5 miles or less from another WIC vendor will be evaluated for client usage.
 - ii. Urban Counties: Vendors located 1 mile or less from another WIC vendor will be evaluated for client usage.
- b. Client Usage Standard: An existing vendor is assessed by counting the number of WIC clients redeeming food instruments with the vendor. The SA will gather the data for this criterion by reports generated through the processing of WIC food instruments. In order to continue as a WIC vendor, the vendor must have either of the following:
 - i. Rural counties: must average 25 clients for the months of April, May and June.
 - ii. Urban counties: must average 100 clients for the months of April, May and June.

Vendor Management Groups and Monitoring

In order to facilitate the management of WIC vendors, all vendors are assigned to one of three vendor management groups.

The following schedule is used during each group's monitor and selection year:

1. Beginning October 1st through June 30th the Local Agency monitors every new and current vendor using the established criteria. The Local Agency may also provide required training to each vendor during this time (see Employee Training section).
2. From July 1st through September 1st the State Agency reviews the evaluations and makes the determination to award or deny a contract to a vendor.
3. The contract term begins on October 1st and ends, unless terminated sooner, on September 30th, three years later.

Contract Cycle

Each vendor group has a different three-year contract cycle. Vendor contracts are not automatically renewed. The standard WIC vendor contract is three years in length. Contracts are processed when the Local Agency monitoring process is completed. Contracts are sent to vendors as soon as possible after the entire process is complete but no later than 15 days prior to the expiration of the current contract.

New Vendor Applications

Non-participating grocers located in the state of Kansas can submit an application to become a WIC vendor at any time during the year. If the closure of a WIC vendor creates a WIC client access problem, the State Agency will work with the Local Agency to invite potential vendors to make immediate application to participate in the program.

Vendor Name Changes or Relocations

If the vendor's name or address changes and ownership remain the same, a new application must be submitted for verification of information only. This is not considered a new application only an update of changes to the current contract.

Vendor Change of Ownership or Termination of Operations

A vendor's authorization to participate in WIC is NON-TRANSFERABLE. If a vendor changes ownership or goes out of business, the authorization to participate automatically becomes null and void and no WIC checks may be accepted. The Authorized WIC Vendor Stamp must be returned to the State Agency upon termination of the WIC Vendor Participation Contract due to voluntary termination, change of ownership, non-renewal of the contract or disqualification from the WIC program. The WIC decal must be removed from the window. The vendor is responsible for notifying the Local Agency or State Agency seven days in advance of an ownership change or termination of operations.

A vendor's authorization can be terminated by the State Agency with 15 days advance written notice given to the vendor. These terminations typically occur due to the vendor no longer meeting WIC eligibility criteria, disqualification from participation in the Kansas Food Assistance Program, or failing to comply with any of the program requirements outlined in this manual and the Vendor Participation Contract.

Failure to comply with program requirements may also result in legal penalties beyond authorization to participate, as set forth in the Vendor Participation Contract.

Vendor Authorization

Each vendor must apply to the program and be approved in order to participate as an authorized WIC vendor. The State Agency is not responsible for reimbursement for any WIC check accepted by the vendor during any time in which a valid contract is not in effect.

All authorized WIC vendors will be issued a rubber stamp containing the WIC vendor number; an authorized window decal stating the store accepts WIC checks; and a copy of the signed vendor contract.

Confidentiality of Vendor Information

Confidential vendor information is any information about a vendor (whether it is obtained from the vendor or another source) that individually identifies the vendor, except for vendor's name, address, telephone number, Web site/email address, and vendor type and authorization status. Except as otherwise permitted by this section, the State agency must restrict the use or disclosure of confidential vendor information to:

- (1) Persons directly connected with the administration or enforcement of the WIC Program or the Kansas Food Assistance Program who the State agency determines have a need to know the information for purposes of these programs.

- (2) Persons directly connected with the administration or enforcement of any Federal or State law. Prior to releasing the information to one of these parties (other than a Federal agency), the State agency must enter into a written agreement with the requesting party specifying that such information may not be used or disclosed except for purposes directly connected to the administration or enforcement of a Federal, or State law; and
- (3) A vendor that is subject to an adverse action, including a claim, to the extent that the confidential information concerns the vendor subject to the adverse action and is related to the adverse action.

Reporting Sales Information

This information is used as a criterion for the vendors' Peer Group assignment for use in the allowable food costs reimbursement process and also in reports to the USDA.

The information is to be provided upon the request of the State Agency. If the information is not completed and returned to the State Agency within the proper time frames, the Vendor Participation contract may be terminated. The vendor must supply proof (tax return information) of reported sales figures if requested by State Agency.

If the contract is terminated or not renewed for not returning the Vendor Sales Information, a vendor cannot reapply for sixty (60) days from the day that the WIC Vendor Stamp is returned to the Local or State Agency. For a second occurrence of not returning the form, the vendor store will be disqualified for one hundred and twenty (120) days; a third occurrence, one (1) year.

Additionally, please be aware that Food Sales are the nontaxable sales done by the store. Gross sales are the total taxable and nontaxable sales done by the store; including gas, pharmacy, bait, deli, video rental, etc. Sales from lottery, money orders and any service offered as commission services (e.g. Ticket Master), hunting/fishing license are not to be reported as gross sales.

1. Instructions for completing the form are on the back of form.
2. Keep a copy for the store's records.
3. Return the form as directed.

WIC Door Decal

The WIC decal should be displayed in a highly visible location on or near the entrance to the store. Vendors with more than one entrance may request additional decals.

Authorized WIC Vendor Stamp

Each WIC vendor is assigned a unique WIC identification number that appears on the rubber stamp. The stamp must be used on all WIC checks processed by the vendor. The vendor must ensure the authorized vendor stamp is used only for the purpose intended and assume full responsibility for any unauthorized use of the stamp. Replacement stamps can only be obtained by contacting the State Agency. Broken or damaged stamps are replaced free of charge. Lost stamps may require a payment of \$25 with a check made payable to: Kansas Department of Health and Environment. Authorized WIC stamps can only be obtained from the State Agency. **The vendor or the Local Agency may not duplicate the stamps.** Application of the vendor number to a WIC check by a contracted third party check processor may be authorized at the State Agency discretion. Vendors must contact the State Agency for authorization prior to the implementation of a third party check processor agreement.

Altered Checks

Altered WIC checks include changes in client or caregiver names, first and last dates of use, food item descriptions, dollar amount on the FVC, and authorized food quantities. Use of white out in these noted areas on checks is an alteration. Altered checks should not be accepted from WIC clients. Clients presenting altered checks should be instructed to return to the Local Agency for replacement checks. **Altered checks will not be paid.** Checks with detected alterations are rejected and returned to the vendor.

First and Last Day to Use Dates

WIC checks may be accepted at any time between and including the “Do not use before” and “Do not use after” dates as printed on the top right side of the check.

Authorized Corrections to Check Errors

If the vendor makes an error when entering the “Pay Exactly” amount on the WIC check, the error may be corrected by drawing a SINGLE line through the incorrect amount. Enter the correction clearly and legibly as close as possible to the incorrect entry.

WIC Purchases and Non-WIC Purchases

The client should separate their WIC purchases from non-WIC purchases before reaching the checkout stand. The client should also separate their items to be purchase with the FVC from all other purchases. If the client has not separated WIC foods from non-WIC foods, please ask them to do so.

Approved Foods

WIC checks may be used to purchase only the items specified either on the WIC check and/or listed in the approved foods section of the WIC Program Booklet. Clients are not required to purchase all items on their checks or the full amount of items specified. No foods or container sizes may be substituted for those specified on the checks.

Sales Tax

There is no sales tax due on a regular WIC transaction. However, there may be sales tax collected during a Fruit and Vegetable Check (FVC) transaction. If a WIC client purchases fruits and vegetables that total more than the authorized dollar amount on the FVC, they will have the ability to pay the difference with whatever means. If the client pays the difference with cash, debit/credit card or check then tax will be added to the amount that is over the amount printed on the FVC only. For example, the client has a FVC for six-dollars and they have fruits and vegetables that total \$6.75, the cashier will write \$6.00 on the FVC and the client pays cash, debit/credit, or check for the additional \$0.75. Sales tax is due on the additional \$0.75. If the client uses their Vision card or another FVC to pay the \$0.75, then no sales tax is due.

Coupons/Store Specials/Loyalty Cards

WIC clients are strongly encouraged to use coupons, store specials and loyalty cards to purchase WIC foods. The use of coupons, store specials and loyalty cards does not alter the determination of least expensive brand. Unlike store sales, coupons, store specials and loyalty cards do not alter the determination of least expensive brand on the shelf. Clients must buy the authorized food product that has the lowest shelf price indicated. However, we do not mandate that the loyalty card be provided, nor do we require an "extra" card to be at the cashier stand to be used in the event a customer does not have one of their own. We instruct our clients to use their coupons and loyalty cards and we instruct our vendors to ask the clients if they have them.

Rain Checks

*******Rain checks are not allowed in the WIC Program *******

If all foods on the check are not available, the client either must go to another authorized vendor where all the food items on the check can be purchased or the client can cash the check knowing they are not receiving their full WIC food benefit. If a vendor does not have a specific fresh, frozen or canned fruit or vegetable then the client must go to another authorized vendor to purchase that item. The original vendor should immediately take steps to ensure that minimum stock levels are being maintained.

Totaling the Check

The total price of the WIC foods purchased with each WIC check must be written in numerical figures in the Pay Exactly box in the middle of the check.

Cashiers Initials

The cashier completing the transaction legibly fills in his or her initials.

Use of Cash Register to Imprint WIC Transactions (endorsement of WIC check)

If the vendor has the capability to do so, it should imprint the entire WIC transaction on the back of the WIC check. If possible the vendor name and WIC vendor number should be placed on the back of the check. This will speed reimbursement if there is ever any question as to the identity of the vendor, the purchase amount or date of use of the check.

Client Signature and Date of Purchase

After the amount of the sale has been entered on the WIC check and proper identification presented, WIC clients must sign and date the checks in the presence of the cashier. The signature must be that of one of the persons listed below the signature line on the check or a valid proxy. Clients or authorized representatives, who are unable to write, will sign the check with an "X". The cashier must witness the "X" by initialing next to it after the client places the mark in the signature area.

If the client presents a check that has already been signed simply ask the client to sign the check again next to the original signature. Signatures are required after the total purchase amount is written on the check.

Verifying Identity of WIC Customer

Ask for the proper identification from the WIC customer. Proper identification is any type of photo identification, expired or valid, from the United States or other countries or a WIC Program ID card (which has no photo). Compare the customer's name on the WIC check with the name on the identification provided.

Proxy Signature

Caregivers listed on the WIC check may be unable to go to the grocery store to purchase the food. In these instances, a "proxy" may do the shopping. The proxy must have an authorized proxy card.

Cash Register Receipts

A cash register receipt should be offered to the WIC customer for all WIC transactions. The vendor must also keep a copy of the receipts for all WIC transactions. **Receipts should be kept for a minimum of 30 days.** The vendor receipt is kept for auditing purposes or if payment is not received due to an error with the check. To match the receipt to a check, it is strongly suggested that the cashier write the check number(s) on the receipt.

Reimbursement Process Information (including ACH)

1. Once WIC checks have been deposited, the bank of first deposit (your bank) credits your account according to normal bank procedures.
2. All WIC checks are routed through the Federal Reserve Banking system. The checks are scanned and then routed to the CSC Operations Center for WIC processing.
3. CSC, the Kansas contracted WIC check processor, visually and electronically reviews the checks for several items. Some of these reviews include: missing signatures, inappropriate use and deposit dates, missing vendor stamp, over the allowed amount, and alterations.
4. Information regarding checks that successfully pass the edit procedures will be processed through the banking system which will result in the transfer of funds to the bank of first deposit (your bank).
5. Checks failing established edits are stamped on the face of the check with the reason(s) for failure. The checks are returned through the banking system to the bank of first deposit and ultimately to the vendor. These are considered rejected checks. **See Appendix F for details on the rejected check process and Automated Clearing House (ACH) payments.**

The most common reasons for rejected checks are:

- a. The amount written on the check is higher than the maximum allowed for the listed food items.
 - b. The check was used prior to the "Do not use before" date.
 - c. The check was used after the "Do not use after" date.
 - d. The Client's authorized signature is missing.
 - e. The vendor's WIC stamp is missing from the check.
6. If a check payment has not been received within one week after deposit of the check, this fact should be reported to the State Agency. The vendor should be prepared to provide the following information:
- a. The vendor name and WIC vendor number;
 - b. The number of the check;
 - c. The date the check was deposited in your bank; and
 - d. The amount of the check.

The State Agency will research and respond to the inquiry as soon as possible. The State Agency will consider reimbursements for checks that are: over the allowed amount; or an invalid vendor stamp.

The State Agency will not consider reimbursements for checks that are: altered; taken early or late; late deposit; missing signature; or previously rejected.

7. Retain all deposit slips and bank statements as advised by your tax consultant.

Exchanges and Refunds

Clients may not return foods purchased with WIC checks for a cash refund, store credit, or to exchange them for *different* foods. Foods that are bought with a WIC check and are spoiled may be returned for an even exchange of the same product. If asked to process a returned item for cash, it is acceptable to ask if the customer is on WIC. It is ok for the vendor to call the Local Agency with the name of the person they believe is a WIC client who is attempting to exchange WIC foods for cash or credit, as this may be fraud. The State Agency or Local Agency cannot release the status of an individual's involvement in WIC to the vendor. Program status is considered confidential information. The State Agency and/or Local Agency will investigate and apply sanctioning procedures as appropriate.

Here are suggestions to help combat the situation of returning WIC foods for cash. Three possible options to eliminate the return of WIC foods are:

1. Establish a store policy requiring all customers (not just WIC customers) to sign for the return of infant formula. This allows the vendor a consistent method for acquiring the individual's name for reporting to the Local Agency
2. At the time of checkout, the Universal Product Code (UPC) on infant formula may be lined through with a permanent marker, so staff can see it was purchased with a WIC check and they can't return it for cash.
3. Establish a store policy requiring a cash register receipt for all customers attempting to return foods for cash. This allows the vendor a consistent method to see if the transaction was made with WIC checks.

Visits to the Vendor

Federal, State Agency or Local Agency staff or other staff working under their authorization will periodically evaluate and monitor the activities of each authorized WIC vendor to determine compliance with WIC policies, requirements, and procedures. Visits may be unannounced and include undercover investigations. The vendor must provide WIC officials reasonable access to the premises and to appropriate records and personnel upon request. When problems are noted during any type of monitoring or investigation activity, the vendor is expected to take corrective action to remedy problems within a specified time frame. The State Agency or Local Agency will provide technical assistance and/or training if requested by the vendor or if indicated by the monitoring visit.

Announced and unannounced on-site monitoring visits will include, but not be limited to:

1. Verifying the availability and minimum stock of WIC approved foods.
2. Verifying the accuracy of prices charged on WIC checks and randomly reviewing WIC checks to determine redemption irregularities.
3. Observing and/or interviewing store personnel to determine their knowledge of and compliance with WIC vendor regulations and procedures. Interviews may be with a store manager, head cashier or line cashier.
4. Verifying the presence of the authorized WIC decal in the front window of the vendor, the Vendor Procedures Manual in the office and the WIC Program Booklet at each cash register.
5. Reviewing expiration dates of all WIC foods available for sale. Any out-dated products will be removed from the shelf and reported to the manager.
6. Verifying that no signs indicating special lines, prices, or foods are designated for WIC clients.

Vendor Stock Requirements

In order to meet the needs of all WIC clients, all authorized vendors are required to maintain an adequate stock of WIC allowable foods at all times. All vendors are mailed the minimum stock requirements with the WIC application. The vendor should use these requirements to maintain adequate stock at the time the Local Agency evaluates the vendor for the first time and throughout the time the vendor participates in WIC.

Employee Training

Vendors are responsible for training personnel to handle WIC transactions properly. The vendor is responsible for any and all cashier errors. The State and/or Local Agency provides vendor training every year. This may be in the form of a training newsletter, verification of the completed Cashier Self-Paced Training Manual or Cashier DVD training. One staff member from each contracted WIC vendor must attend the required face-to-face vendor training provided by the State or Local Agency prior to the renewal date of the contract.

Quarterly Price Assessment (QPA)

Price data gathered from the QPA provides retail shelf price to the State Agency. When all vendors submit completed QPA forms, more exact shelf price data is collected and

vendors are reimbursed appropriately.

Every effort should be made to return QPA forms accurately completed and in a timely manner. The QPA must be completed by vendors and submitted quarterly as directed by the State Agency.

Use of the WIC Acronym and Logo

USDA Food and Nutrition Service (FNS) has registered the acronym "WIC" and the WIC logo. This registration protects and limits the use of these trademarks. WIC vendors are authorized to create and use material that simply notifies clients that the vendor is an authorized WIC vendor or "This Vendor Accepts WIC Checks". Any other use of the trademark requires prior authorization from the State Agency.

Use of Shelf Labels

Shelf labels are a requirement of the Kansas WIC Program. If a vendor would like to use any other shelf label, a written request and a copy of materials must be sent to the State Agency for approval.

WIC vendors are provided shelf labels created by the State Agency. The shelf labels are food product specific and in some cases brand specific. They should be placed on the vendor's shelf in close proximity to the identified food. Almost all WIC approved foods should have a shelf label so if your store does not carry the brand of the food, disregard that label. Use only the labels appropriate for the products your store stocks.

Customer Relations and Complaints

Equal Treatment

Vendors must offer WIC customers the same courtesies as offered to other customers. Any practice that singles out WIC customers from other customers, e.g., separate lines or hours, is prohibited. Other non-allowed practices include maintaining lists of WIC clients, having WIC clients sign cash register receipts and keeping folders containing individual WIC client information. The WIC foods assigned to a client is a nutritional prescription in the same way medicine is a pharmaceutical prescription.

Client Program Violations

Your cooperation in reporting attempted program violations is appreciated. Examples of reportable client behavior include:

1. An attempt to purchase foods other than those specified on the WIC check or identified as approved in the WIC Program Booklet.
2. The use of an expired or altered WIC check.
3. An attempt to obtain cash refund by returning items purchased with WIC checks.
4. Any verbal abuse, threat or physical abuse to store personnel.

Vendor Complaints against WIC Clients

If you wish to make a complaint about a client, please call your Local Agency. All reports of abuse and/or complaints should be made within ten days after the incident. Be as specific as possible, making sure to record the names and the details of the incident. Include such details as time, date, physical description, words exchanged, names of staff persons that witnessed the incident, etc. Make a copy of the WIC check. The complaint will be discussed with the client and appropriate actions taken.

Non-Discrimination and Civil Rights

To file a complaint of discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call toll free (866) 632-9992 (Voice). Individuals who are hearing impaired or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish).

Vendor Contract Violation, Sanctions & Appeal Rights

Kansas WIC vendors determined to be in violation of WIC program policies and procedures, federal regulations, state statutes, the Vendor Participation Contract or Vendor Manual shall be sanctioned as indicated below.

Vendor violations may be intentional or unintentional. The Kansas WIC program may refer vendors who commit fraud and/or abuse of the WIC program to federal, state or local authorities for prosecution under applicable statutes. The WIC program has two levels of violations: those that result in Kansas WIC program sanctions and those that result in federally mandated sanctions.

The Kansas WIC program detects violations through monitoring, undercover buys, data analysis and reports from WIC clients and Local Agencies (LA). Vendors who commit fraud and abuse may be prosecuted under federal, state and local laws and may be fined or imprisoned in addition to program sanctions.

Imposed sanctions may include warning letters, mandatory training sessions, administrative fines, monetary claims, Civil Money Penalties (CMP), suspensions, terminations or disqualifications or any combination of sanctions.

In addition to the sanctions mandated by federal regulations, the State Agency (SA) will institute program sanctions. Each instance of a violation of Kansas WIC program rules has a set point value. The accumulation of fifteen (15) points or more within a contract cycle will result in termination of the Vendor Participation Contract and a six month (6) disqualification from the Kansas WIC program. Refer to VEN 04.00.00 Vendor Contract Renewal for information about contract cycles.

Program sanctions can also take the form of warning letters with or without mandatory training session(s) and monetary fines. The following table lists Kansas WIC program sanctions:

Points	Sanction	Time Frame
3 - 5	Warning Letter with possible Mandatory Training session(s)	Points will accumulate for the vendor's contract cycle.
6 - 9	\$100.00 fine	
10 - 14	\$250.00 fine	
15 +	Termination of Contract and six (6) month disqualification	

If a vendor is disqualified from the Kansas WIC program, that vendor may also be subjected to a termination from the Supplemental Nutrition Assistance Program, aka Kansas Food Assistance Program. Likewise, a vendor disqualified from the Supplemental Nutrition Assistance Program may have its WIC authorization terminated.

The State Agency must provide written notice of any sanctions imposed against a vendor. The notice must specify:

- the sanction being imposed,
- the effective date of the sanction,
- the reasons for the sanction, and
- explain the vendor's right to and the procedures to follow to obtain an administrative review.

Notice must be given prior to any sanction being imposed, with the exception of disqualification due to conviction of trafficking WIC checks.

Reference: 7 CFR § 246.12, VEN 04.00.00 Vendor Contract Renewal

Procedure:

1. Violations under Sections A and B will accumulate for the vendor's contract cycle. If the vendor has complied throughout the remaining time of their contract after being sanctioned for a violation in section A or B, then any subsequent incidence of that violation will be considered an initial incidence of that violation.

Section A – State Agency Imposed Sanctions for Violations

Violation	Points
1. Failure to post the State approved WIC decal in a highly visible location	2
2. Inappropriate use of the WIC logo and acronym	2
3. Failure to display the current price of an authorized WIC food item on the item, shelf or nearby sign	2
4. Failure to respond timely to dated material	2
5. Failure to submit a Quarterly Price Assessment by date indicated	2
6. Failure to verify identity of WIC client	2
7. Failure to allow WIC clients to use coupons or other promotional specials	2
8. Failure to offer WIC clients the same courtesies offered other customers	2
9. Contacting a WIC client in an attempt to recover funds for WIC checks not paid	3
10. Maintaining stock of WIC foods on shelves past the manufacturer's expiration date	3
11. Inappropriate and/or unauthorized use of the Kansas WIC vendor stamp	2
12. Failure to adhere to the approved procedures in accepting WIC checks	2
13. Collecting sales tax on a WIC transaction	5

Section B – State Agency Imposed Sanctions for Fraud and Abuse

Violation		Points
1. Failure to attend training as required by the Kansas WIC program		6
2. Issuing rain checks for any food listed on the WIC check		6
3. Providing false information on the Quarterly Price Assessment		6
4. Threaten, verbally or physically abuse WIC clients		10
5. Allow the return of food purchased with a WIC check in exchange for cash, credit or non-food items		10
6. Threaten, verbally or physically abuse WIC program personnel in the conduct of official WIC program business		10
7. Failure to provide access to vendor premises and/or in any manner hinder or impede authorized WIC personnel in the act of conducting an on-site education, monitoring, inventory audit or investigation visit		10
8. Make a false or misleading statement on a WIC Vendor Application, contract or amendment		15
9. Purchase infant formula from a source that is not listed on the Approved Infant Formula Wholesalers/Retailers/ Manufacturers form		15
10. Failure to return gross food sales data in the time frame as requested by State Agency.		15
11. Assessment of a civil money penalty (CMP) for hardship in the Kansas Food Assistance Program	Termination of Contract and disqualification for the period of time for which the vendor would otherwise have been disqualified from the Kansas Food Assistance Program	
12. Mandatory sanction by another WIC State Agency	Termination of Contract and disqualification from the Kansas WIC program for the length of time as the disqualification assessed by the other State Agency	

2. Federal Regulations **7CFR § 246.12** require mandatory sanctions be imposed for violations listed in this section and also require that a pattern of incidences of a violation be established before imposing a mandatory sanction for violations number 4, 5, 6, 7, 8 and 9 listed below. A pattern of incidences is established with 3 consecutive violations of the same incident.

The State Agency will send the vendor a single warning letter after the first incidence of a violation for violations number 4, 5, 6, 7 and 8 listed below. Additional compliance buys may be conducted after the warning letter is sent. The State Agency will not send any additional warning letters for subsequent incidences of violations number 4, 5, 6, 7 and 8 listed below prior to imposing the mandatory sanction. (No warning letter will be sent for violation number 9 and 10).

If the State Agency determines that disqualification of the vendor would result in inadequate client access, a CMP may be imposed in lieu of disqualification for the violations numbered 2, 3, 4, 5, 6, 7, 8, 9 and 10 listed below.

Violation	Number of incidences of the violation which will result in the indicated sanction	Sanction and length of disqualification
1. Vendors <u>convicted</u> of trafficking in WIC checks or selling firearms, ammunition, explosives, or controlled substances [as defined in Section 102 of the Controlled Substances Act (21 U.S.C. § 802)] in exchange for WIC checks.	One	Termination of contract and permanent disqualification
2. a. Buying or selling WIC checks for cash (trafficking); or b. Selling firearms, ammunition, explosives, or controlled substances (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. § 802)) in exchange for WIC checks.	One	Termination of contract and six (6) year disqualification
3. The sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC checks.	One	Termination of contract and three (3) year disqualification
4. Charging the WIC program more for supplemental foods than non-WIC customers or charging the WIC program more than the current shelf price.	Three	Termination of contract and three (3) year disqualification
5. Charging the WIC program for supplemental food not received by the client.	Three	Termination of contract and three (3) year disqualification
6. Receiving, transacting and/or redeeming WIC checks outside of authorized channels, including the use of an unauthorized vendor and/or unauthorized person	Three	Termination of contract and three (3) year disqualification
7. Providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances (as defined in 21 U.S.C § 802), in exchange for WIC checks.	Three	Termination of contract and three (3) year disqualification
8. Providing unauthorized food items in exchange for WIC checks, including charging for supplemental food provided in excess of those listed on the WIC check.	Three	Termination of contract and one (1) year disqualification

Violation	Number of incidences of the violation which will result in the indicated sanction	Sanction and length of disqualification
9. Claiming reimbursement for the sale of an amount of specific supplemental food item, which exceeds the stores documented inventory of that supplemental food item for a specific period of time. Each month that a vendor claimed reimbursement for the sale of a specific supplemental food item, which exceeded the vendor's documented inventory of that supplemental food item, shall constitute an incidence of a violation.	Three	Termination of contract and three (3) year disqualification
10. Vendors who have been disqualified from the Kansas Food Assistance Program shall be disqualified from the WIC Program. The disqualification shall be for the same length of time as the Kansas Food Assistance Program disqualification and may begin at a later date than the Kansas Food Assistance Program disqualification. The disqualification is not subject to administrative or judicial reviews under the WIC Program		

3. Multiple Violations during a Single Investigation

- a. If the State Agency determines during the course of a single investigation a vendor has committed multiple violations, which may include violations subject to SA sanctions or federally mandated sanctions, the vendor shall be sanctioned for the most serious violation.

4. Civil Money Penalty

- a. If the SA determines that disqualification of a vendor would result in inadequate client access, a civil money penalty will be imposed. The civil money penalty amount shall be determined by using the formula in USDA Federal Regulations **7 C.F.R. § 246.12 (I) (1) (x)**. The formula is as follows:

Step I: Determine the vendor's average monthly redemptions for at least the 6-month period ending with the month immediately prior to the month during which the notification of violation is dated.

Step II: Multiply the average monthly redemptions figure by 10% (.10).

Step III: Multiply the product of Step II by the number of months for which the vendor would have been disqualified.

For example, if a vendor were issued a sanction of 6 months disqualification in July, the State Agency would compile the average monthly redemption for the months of January through June. The average monthly redemption would then be multiplied by 10%. That figure would be multiplied by 6 (for the 6 month disqualification period).

Vendor A averages \$5,000 for the months February through July so $\$5,000 \times 10\% = \500 . Then $\$500 \times 6 = \$3,000.00$. This is the amount of the civil money penalty if the vendor cannot be disqualified due to client access.

The result of Step III is the civil money penalty imposed. A civil money penalty shall not exceed \$11,000 for each violation.

If the SA determines during the course of a single investigation that a vendor has committed multiple violations; the SA must impose a civil money penalty for each violation.

The total amount of civil money penalties for violations investigated as part of a single investigation shall not exceed \$49,000.

A civil money penalty shall not be imposed in lieu of disqualification for a third or subsequent sanction for violation listed in Mandatory Sanctions under Federal Regulations, items 2, 3, 4, 5, 6, 7, 8, 9, and 10.

Vendors that have been convicted of trafficking (Mandatory Sanctions under Federal Regulations - Item 1) in WIC checks or selling firearms, ammunition, explosives or controlled substances in exchange for WIC checks will be permanently disqualified from the WIC program. A civil money penalty in lieu of disqualification will be considered if disqualification of the vendor would result in inadequate client access or that the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

If a vendor does not pay, partially pays, or fails to timely pay a civil money penalty assessed in lieu of disqualification, the SA must disqualify the vendor for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed (for a period corresponding to the most severe violation in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation).

- b. Money received by the SA as a result of civil money penalties or fines assessed against a vendor or any interest charged in the collection of these penalties and fines shall be considered as program income. As program income, these monies will be used to support WIC program objectives.

5. Second Mandatory Sanction

- a. A vendor who previously has been assessed a sanction for violations listed in Mandatory Sanctions Under Federal Regulations, items 2, 3, 4, 5, 6, 7, 8, and 9 and if the vendor receives another sanction for any of these violations, the second sanction will be doubled.

6. Third or Subsequent Mandatory Sanction

- a. A vendor who previously has been assessed two or more sanctions for violations listed in Mandatory Sanctions Under Federal Regulations, items 2, 3, 4, 5, 6, 7, 8, and 9 and if the vendor receives another sanction for any of these violations, the third sanction and all subsequent sanctions will be doubled.

7. Effective Date of Sanctions against Vendors

- a. The State agency must make denials of authorization and disqualifications effective on the date of receipt of the notice of adverse action. The State Agency must make all other adverse actions effective no earlier than 15 days after the date of the notice of adverse action and no later than 90 days after the date of the notice of adverse action or, in the case of an adverse action that is subject to fair hearing, no later than the date the vendor receives the review decision.

Administrative Review Process

Authorized WIC vendors have the responsibility to comply with WIC program regulations, policies and procedures. As indicated in this contract, the State Agency may impose sanctions on vendors for non-compliance. These sanctions range from warning letters to permanent disqualification from participation in the WIC program. Refer to Section IV of the Vendor Participation Contract for a full description of the sanctions.

1. Vendor's Right to Administrative Review.

- a. The Local Agency and/or State Agency must provide written notice of any adverse action taken against a vendor. The notice must specify the action being taken, the effective date of the action, the reasons for the action, and explain the vendor's right to and the procedures to follow to obtain an administrative review. Notice must be given prior to any adverse action being taken, with the exception of disqualification due to conviction of trafficking WIC food instruments.
- b. A vendor wishing to request an administrative review of an adverse action must submit a written request for a review of the action. The request must be made within fifteen (15) days of receipt of the notice of adverse action. The request for a review must include a summary of the reasons for appealing the action. Requests for review shall be addressed to the Office of Administrative Hearings, 1020 South Kansas Avenue, Topeka, Kansas 66612-1327.
- c. Requesting an administrative review of an action does not relieve the food vendor of responsibility for continued compliance with the terms of any written agreement or contract with the State Agency or Local Agency. Participating vendors who are disqualified from the program must reapply for authorization to participate. Applicants who are denied participation at application may appeal the denial, but shall **not** participate in the program while awaiting the decision.

- d. The Office of Administrative Hearings shall not deny or dismiss a request for an administrative review unless:
 - 1. The request is not received in writing by the Office of Administrative Hearings within the time limit of 15 days from receipt of the notice of adverse action;
 - 2. The request is withdrawn in writing by the applicant or a representative;
 - 3. The applicant or a representative fails, without good cause, to appear at the scheduled hearing; or
 - 4. The request for review is regarding an adverse action that is not subject to administrative review.
- e. When a vendor is disqualified due in whole or in part to violations of 7 CFR 246.12(l)(1), such notification must include the following statement: "This disqualification from WIC may result in disqualification as a retailer in the Kansas Food Assistance Program. Such disqualification is not subject to administrative or judicial review under the Kansas Food Assistance Program."

2. Effective Date of Adverse Actions against Vendors

- a. The State Agency must make denials of authorization and disqualifications effective on the date of receipt of the notice of adverse action. The State Agency must make all other adverse actions effective no earlier than 15 days after the date of the notice of adverse action and no later than 90 days after the date of the notice of adverse action. In the case of an adverse action that is subject to administrative review, the effective date of the adverse action shall be no later than the date the vendor receives the review decision.
- b. Decisions rendered under the administrative review procedures are the final state agency action. If a decision is rendered as a result of a hearing and the vendor expresses an interest in pursuing a higher review of the decision, the Presiding Officer shall explain any available state level appeal procedures. If an appeal is not available or has been exhausted, the Presiding Officer shall explain the right to pursue judicial review of the decision. Kansas statutes allow individuals to file suit against the State of Kansas in District Courts.

3. Pre-hearing conference

- a. Prior to the official administrative review, a pre-hearing conference may be held. A pre-hearing conference is a conference between the parties or their counsel and the Presiding Officer to discuss matters relevant to a full hearing. A pre-hearing conference may be conducted in person or over the telephone. If the issue cannot be resolved, the Presiding Officer shall schedule a tentative hearing date.
- b. At the pre-hearing conference, the proceeding may, with the agreement of all parties and the concurrence of the Presiding Officer, be converted to an administrative review or a summary proceeding for disposition of the matter as provided by the Kansas Administrative Procedure Act.

4. The following adverse actions are subject to administrative reviews:

- a. The denial of authorization to become a WIC vendor based on:
 - 1. the vendor selection criteria for competitive price;

2. the vendor selection criteria for minimum variety and quantity of authorized supplemental foods;
 3. a determination that the vendor is attempting to circumvent a sanction;
 4. disqualification;
 5. the vendor selection criteria for business integrity;
 6. the vendor selection criteria for a current Kansas Food Assistance Program disqualification or CMP for hardship;
 7. a State Agency-established vendor selection criteria if the basis of the denial is a WIC vendor sanction or a Kansas Food Assistance Program withdrawal of authorization or disqualification;
 8. the State Agency's vendor limiting criteria;
 9. the vendor submitted its application outside the time frames during which applications are being accepted and processed as established by the State Agency;
 10. the vendor submitted its application and expects that 50% of their food sales revenue will be from WIC redemptions;
 11. the application of peer group criteria;
 12. the process of identifying a vendor as an above-50-percent vendor; or
 13. a determination of whether a vendor applicant is currently authorized by the Kansas Food Assistance Program.
- b. the termination of a current WIC Vendor contract:
 1. for cause;
 2. because of a change in ownership or location or cessation of operations;
 - c. the disqualification of a current WIC vendor:
 1. based on a trafficking conviction;
 2. based on the imposition of a Kansas Food Assistance Program CMP for hardship;
 3. based on the application of peer group criteria and above 50% status determination;
 - d. the imposition of a fine or a CMP in lieu of disqualification;
 - e. the imposition of a CMP in lieu of disqualification based on a Kansas Food Assistance Program disqualification; and
 - f. the disqualification or CMP imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC State Agency.
5. The following adverse actions are **NOT** subject to administrative review:
 - a. the validity or appropriateness of the SA's vendor limiting;
 - b. the validity or appropriateness of the SA's selection criteria;
 - c. the validity or appropriateness of the SA's client access criteria and participation access determinations;
 - d. the SA's determination to include or exclude an infant formula manufacturer, wholesaler, distributor or retailer from their list;
 - e. the validity or appropriateness of the State Agency's prohibition of incentive items;
 - f. the SA's determination whether to notify a vendor when an investigation reveals an

initial violation for which a pattern of violations must be established in order to impose a sanction;

- g. the State Agency's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation;
- h. the denial of authorization if the SA's vendor authorization is subject to the procurement procedures applicable to the SA;
- i. the expiration of a vendor's contract;
- j. disputes regarding food instrument payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error, as permitted by 246.12(k)(3)); and
- k. the disqualification of a vendor as a result of disqualification from the Kansas Food Assistance Program.

6. The procedures for an administrative review are:

- a. Step 1 The State Agency sends the vendor written notification of the adverse action, the procedures to follow to obtain an administrative review with the Office of Administrative Hearings and the cause(s) for and the effective date of the action
- b. Step 2 The vendor submits a written request for an administrative review of the State Agency adverse action to the Office of Administrative Hearings.
- c. Step 3 The Office of Administrative Hearings replies in writing to the requesting party either denying the review and stating the reason for denial, or advising the requesting party at least ten days in advance of the time and place of the pre-hearing conference or administrative review.
- d. As part of the administrative review, the Office of Administrative Hearings must provide the vendor with the following:
 - 1. Adequate advance notice of the time and place of the administrative review to provide all parties involved sufficient time to prepare for the review;
 - 2. The opportunity to present its case and at least one opportunity to reschedule the administrative review date upon specific request;
 - 3. The opportunity to cross examine adverse witnesses;
 - 4. The opportunity to be represented by counsel if desired;
 - 5. The opportunity to examine, prior to the hearing, the evidence upon which the State Agency's action is based;
 - 6. An impartial decision-maker whose determination is based solely on whether the State Agency has correctly applied Federal and State statutes, regulations, policies, and procedures governing the program, according to the evidence presented at the administrative review; and
 - 7. Written notification of the review decision, including the basis for the decision. The written notification need not amount to a full opinion or contain formal findings of fact and conclusions of law. The written notification should be provided within 90 days from the date of receipt of a vendor's request for an administrative review. This time frame is only an administrative requirement and does not provide a basis for overturning the State Agency's adverse action if a decision is not made within the specified time frame.

Appendix

Appendix A – Designation of Kansas Counties
Appendix B (a) – KS WIC Program Booklet – Client Version
Appendix B (b) – KS WIC Program Booklet – Vendor Version
Appendix C – Program Identification Card
Appendix D – Quarterly Price Assessment
Appendix E (a) – Minimum Stock Requirements (Rural)
Appendix E (b) – Minimum Stock Requirements (Urban)
Appendix F – How to handle a Rejected WIC Check
Appendix G – Authorization Agreement for Automated
Clearinghouse (ACH) Transactions
Appendix H – Request for Reimbursement
Appendix I – Minimum Stock Exemption Form

Designation of Kansas Counties

Rural Counties

Anderson
Barber
Brown
Chase
Chautauqua
Cheyenne
Clark
Clay
Cloud
Coffey
Comanche
Decatur
Edwards
Elk
Ellsworth
Gove
Graham
Grant
Gray
Greeley
Greenwood
Hamilton
Harper
Haskell
Hodgeman
Jackson
Jewell
Kearney
Kingman
Kiowa
Lane
Lincoln
Linn
Logan
Marion

Marshall
Meade
Mitchell
Morris
Morton
Nemaha
Ness
Norton
Osborne
Ottawa
Pawnee
Pawnee
Phillips
Pratt
Rawlins
Republic
Rice
Rooks
Rush
Russell
Scott
Sheridan
Sherman
Smith
Stafford
Stanton
Stevens
Thomas
Trego
Wabaunsee
Wallace
Washington
Wichita
Wilson
Woodson

Urban Counties

Allen
Atchison
Barton
Bourbon
Butler
Cherokee
Cowley
Crawford
Dickinson
Douglas
Doniphan
Ellis
Finney
Ford
Franklin
Geary
Harvey
Jefferson
Johnson
Labette
Leavenworth
Lyon
McPherson
Miami
Montgomery
Neosho
Osage
Pottawatomie
Reno
Riley
Saline
Sedgwick
Seward
Shawnee
Sumner
Wyandotte

Population State, county, and city population estimates for 2008-2012 were produced by the United States Census Bureau (USCB) and certified by the Kansas Division of Budget. These estimates are on the Kansas Division of Budget website and included in the Kansas Department of Health and Environment 2012 Annual Summary of Vital Statistics at: http://www.kdheks.gov/hci/as/2012/AS_2012.pdf

KS WIC Program Booklet – Information for Clients

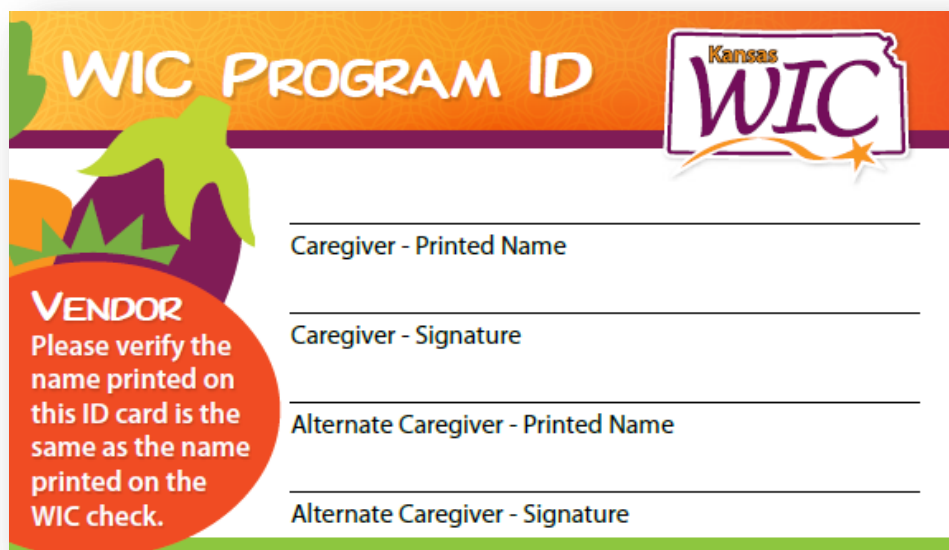


KS WIC Program Booklet – Information for Vendors



Program IDENTIFICATION CARD

Front of the card:



The front of the card features a header with "WIC PROGRAM ID" in white on an orange background. To the right is the "Kansas WIC" logo. On the left, a red circle with a green leaf graphic contains the text: "VENDOR Please verify the name printed on this ID card is the same as the name printed on the WIC check." The right side of the card has four horizontal lines for text entry, labeled: "Caregiver - Printed Name", "Caregiver - Signature", "Alternate Caregiver - Printed Name", and "Alternate Caregiver - Signature". The card has a green border at the bottom.

WIC PROGRAM ID

Kansas WIC

VENDOR
Please verify the name printed on this ID card is the same as the name printed on the WIC check.

Caregiver - Printed Name

Caregiver - Signature

Alternate Caregiver - Printed Name

Alternate Caregiver - Signature

Back of the card:



The back of the card has a colorful background with illustrations of various fruits and vegetables. A central white box with an orange border contains the following text: "ATTENTION This card is to be accepted as proof of identification at all authorized WIC vendors in the State of Kansas." Below this is a purple banner with the website "www.kansaswic.org". At the bottom of the white box, it says "Kansas Department of Health and Environment" and "This institution is an equal opportunity provider and employer." in green text.

ATTENTION
This card is to be accepted as proof of identification at all authorized WIC vendors in the State of Kansas.

www.kansaswic.org

Kansas Department of Health and Environment
This institution is an equal opportunity provider and employer.

Quarterly Price Assessment SAMPLE

Kansas WIC Program
Quarterly Price Assessment

Page 1 of 3

THIS FORM MUST REACH THE KANSAS
STATE WIC OFFICE BY **May 15, 2015**.

Food Category	Food Description	Unit Size	UPC	Shelf Price
Adult Cereals	Quaker Life	13 oz	3000006354	\$
	General Mills Rice Chex	12.8 oz	1600048794	\$
	General Mills Cheerios	12 oz	1600048772	\$
	Kellogg's Frosted MiniWheats Little Bites	15.2 oz	3800059682	\$
	Post Bran Flakes	16 oz	8491211313	\$
Whole Grain	Sara Lee Classic 100% Whole Wheat Bread	16 oz	7294561103	\$
	Mission 96% Fat Free Whole Wheat Tortillas	14 oz	7373107116	\$
	Uncle Bens Whole Grain Brown Rice	14 oz	5480012001	\$
Special Infant Formulas	Similac Expert Care Alimentum – Powder	16 oz	7007457664	\$
	Similac Expert Care Alimentum - Ready To Feed	32 oz	7007457513	\$
	Similac Expert Care NeoSure – Powder	12.8 oz	7007457431	\$
	Enfamil Pregestimil LIPIL powder	16 oz	30087036701	\$
	Pediasure Vanilla w/ Fiber RTF	8 oz can, 6-pk	7007458062	\$
	Enfamil Nutramigen Lipil – Powder	12.6 oz	30087123941	\$
Juices	Apple – 6.75 oz box, single strength - <i>Juicy Juice</i>	8 pack	2800085236	\$
	Apple – Any Brand	64 oz	N/A	\$
	Orange - Minute Maid Pulp - Frozen	12 oz	2500002514	\$
	Blends – Welch's Wild Berry - Concentrate	11.5 oz	4180019600	\$
	Grape – Juicy Juice	64oz	2800000822	\$
	Blends – Juicy Juice Punch	64 oz	2800000820	\$
Miscellaneous	Infant Cereal – Gerber - Rice	8 oz	01500000704	\$
	Infant Foods-Gerber Meats – Ham & Ham Gravy	2.5 oz	1500001215	\$
	Infant Foods – Beach Nut - Carrots	4 oz	05220000714	\$
	Infant Foods – Gerber – Peas	4 oz	1500000416	\$
	Dried beans/peas – Lima beans	1 lb	N/A	\$
	Canned beans – Bush's Best Kidney Beans	16 oz can	3940001734	\$
	Salmon Pink – Chicken of the Sea	5 oz	4800000086	\$
	Peanut Butter – any brand (No Organic or Spreads)	16-18 oz	N/A	\$
	Tofu – Azumaya – Firm	16 oz	7432600012	\$
	Cheese – Kraft Deluxe American Sliced	16 oz sliced	2100060269	\$
	Eggs – Large, grade A or AA	1 dozen	N/A	\$

MINIMUM STOCK REQUIREMENTS

For Kansas WIC Vendors located in **RURAL** counties

To meet the needs of WIC clients, vendors authorized in the WIC program must maintain the minimum levels, sizes and varieties of stock as indicated on this chart. Contact your local agency for exemptions on requirements for infant formula. See the Kansas WIC Program Booklet for more information on each food category.

Food Item	Minimum Brand or Variety Standard	Required Package Standards	Minimum Stock Level
Infant Formula			
Similac Advance	Powder	12.4 oz cans	11 cans
Similac Advance	Concentrate	13 oz cans	35 cans
Gerber Good Start Soy	Powder	12.9 oz cans	11 cans
Gerber Good Start Soy	Concentrate	12.1 oz cans	35 cans
Similac Sensitive Fussiness & Gas	Powder	12.6 oz cans	11 cans
Milk (Store Brand or Least Expensive Brand Available)			
Whole	1 brand	Half-gallon and Gallon	3 half gallons and 6 gallons
Skim/Fat Free, ½%, or 1%	1 brand	Half-gallon and Gallon	3 half gallons and 6 gallons
Cheese (Store Brand or Least Expensive Brand Available)			
American, Cheddar, Cojack, Colby, Monterey Jack, Mozzarella, Swiss	2 varieties	8 oz or 16 oz package	4 - 8 oz packages or 2 - 16 oz package
Eggs (Store Brand or Least Expensive Brand Available)			
Large, Grade A or AA	1 brand	1 dozen	2 dozen
Juice (See WIC Program Booklet for brand information)			
Ready to drink	2 flavors	64 oz containers	3 containers each flavor
Concentrate, frozen or shelf stable	2 flavors	11.5 oz – 12 oz containers	2 containers each flavor
Cereal (See WIC Program Booklet for brand information)			
Infant	2 varieties (rice + 1)	8 oz container	2 boxes each variety
Breakfast	4 varieties (at least one variety must be whole grain)	11 oz up to 36 oz packages	1 packages each variety
Peanut Butter			
Smooth or Crunchy	1 brand	16 oz - 18 oz container	1 containers
Baby Food			
Fruit	4 varieties	4 oz containers	64 containers total
Vegetable	4 varieties	4 oz containers	64 containers total
Meat w/gravy	3 varieties	2.5 oz containers	31 containers total

MINIMUM STOCK REQUIREMENTS
For Kansas WIC Vendors located in **RURAL** counties

Food Item	Minimum Brand or Variety Standard	Required Package Standards	Minimum Stock Level
Canned Beans			
<ul style="list-style-type: none"> ◆ Black ◆ Black-Eyed Peas ◆ Fat Free Refried Beans ◆ Garbanzo Beans or Chickpeas ◆ Great Northern Beans ◆ Kidney Beans ◆ Lentils ◆ Lima or Butter Beans ◆ Navy Beans ◆ Pinto Beans ◆ Split Peas 	3 varieties	15 oz to 16 oz cans	4 cans each variety
Fish			
Light Tuna (chunk)	1 brand	5 oz to 15 oz can or pouch	2 containers
Pink Salmon	1 brand	5 oz to 15 oz can or pouch	2 containers
Fruits and Vegetables			
Fresh Fruits	2 varieties		2 pounds each variety
Fresh Vegetables	2 varieties		2 pounds each variety
Whole Grains (See the WIC Program Booklet for brand information)			
<ul style="list-style-type: none"> ◆ 100% Whole Wheat bread/rolls/buns ◆ Soft Corn or Whole Wheat Tortillas ◆ Brown Rice ◆ Instant Brown Rice – 14 oz ◆ Whole Wheat Pasta 	2 varieties	Must be in a 16 oz package	2 packages each variety

MINIMUM STOCK REQUIREMENTS

For Kansas WIC Vendors located in **URBAN** counties

To meet the needs of WIC clients, vendors authorized in the WIC program must maintain the minimum levels, sizes and varieties of stock as indicated on this chart. Contact your local agency for exemption requirements for infant formula. See the Kansas WIC Program Booklet for more information on each food category.

Food Item	Minimum Brand or Variety Standard	Required Package Standards	Minimum Stock Level
Infant Formula			
Similac Advance	Powder	12.4 oz cans	22 cans
Similac Advance	Concentrate	13 oz cans	70 cans
Enfamil ProSobee	Powder	12.9 oz cans	22 cans
Enfamil ProSobee	Concentrate	13 oz cans	70 cans
Similac Sensitive Fussiness & Gas	Powder	12.6 oz cans	22 cans
Milk (Store Brand or Least Expensive Brand Available)			
Whole	1 brand	Half-gallon and Gallon	6 half gallons and 12 gallons
Skim/Fat Free, ½%, or 1%	1 brand	Half-gallon and Gallon	6 half gallons and 12 gallons
Cheese (Store Brand or Least Expensive Brand Available)			
American, Cheddar, Cojack, Colby, Monterey Jack, Mozzarella, Swiss	2 varieties	8 oz or 16 oz package	8 - 8 oz packages or 4 - 16 oz package
Eggs (Store Brand or Least Expensive Brand Available)			
Large, Grade A or AA	1 brand	1 dozen	4 dozen
Juice (See WIC Program Booklet for brand information)			
Ready to drink	2 flavors	64 oz containers	6 containers each flavor
Concentrate, frozen or shelf stable	2 flavors	11.5 oz – 12 oz containers	4 containers each flavor
Cereal (See WIC Program Booklet for brand information)			
Infant	2 varieties (rice + 1)	8 oz container	4 boxes each variety
Breakfast	4 varieties (at least one variety must be whole grain)	11 oz up to 36 oz packages only	2 packages each variety
Peanut Butter			
Smooth or Crunchy	1 brand	16 oz - 18 oz container	2 containers
Baby Food			
Fruit	4 varieties	4 oz containers	128 containers total
Vegetable	4 varieties	4 oz containers	128 containers total
Meat w/gravy	3 varieties	2.5 oz containers	62 containers total

MINIMUM STOCK REQUIREMENTS
For Kansas WIC Vendors located in **URBAN** counties

Food Item	Minimum Brand or Variety Standard	Required Package Standards	Minimum Stock Level
Canned Beans			
<ul style="list-style-type: none"> ◆ Black ◆ Black-Eyed Peas ◆ Fat Free Refried Beans ◆ Garbanzo or Chickpeas ◆ Great Northern Beans ◆ Kidney Beans ◆ Lentils ◆ Lima or Butter Beans ◆ Navy Beans ◆ Pinto Beans ◆ Split Peas 	3 varieties	15 to 16 oz cans	4 cans each variety
Fish			
Light Tuna (chunk)	1 brand	5 oz to 15 oz can or pouch	4 containers
Pink Salmon	1 brand	5 oz to 15 oz can or pouch	4 containers
Fruits and Vegetables			
Fresh	2 varieties		4 pounds each variety
Frozen	2 varieties		4 containers each variety
Canned	2 varieties		4 cans each variety
Whole Grains (See the WIC Program Booklet for brand information)			
<ul style="list-style-type: none"> ◆ 100% Whole Wheat bread/rolls/buns ◆ Soft Corn or Whole Wheat Tortillas ◆ Brown Rice (Instant – 14 oz) 	2 varieties	Must be in a 16 oz package	4 packages each variety

How to Handle Rejected WIC checks

Missing Vendor Stamp

If you have deposited a WIC check without stamping it with your authorized WIC vendor stamp, and if that is the only reason that the check rejected, your check will be returned stamped with the following imprint: Missing/Illegible Vendor Stamp - Correct and Redeposit. You may then stamp and re-deposit the check to your bank. **No other rejected checks may be re-deposited for any reason.**

Over the Allowed Amount – Automated Clearing House (ACH) Payments

In order to implement the ACH process for your store you must complete and sign the ACH Authorization Form located in Appendix G. This includes providing an email address to obtain a user name and password for access to WICbanking.com. The ACH process will be as follows:

- Once a week, the State will accumulate all rejected checks that qualify for an ACH credit and combine them into a single ACH credit for each distinct vendor.
- Vendors will receive a weekly statement via mail or WICbanking.com with the detail of all rejected checks for over the maximum allowed amount and the corresponding ACH credits
- An ACH credit will be generated for each vendor.
- Credits will be routed to the vendor's bank account for the corresponding amount.
- The credit will be for the maximum amount for the store's peer group.

Once your store has been authorized to receive ACH payments for over the allowed amount rejected checks you will receive an email notification containing a username and password. This username and password will give you access to WICbanking.com and allow you to view all ACH transactions for your store(s) only.

If a WIC check is rejected for over the allowed amount the check will be returned (rejected) and your bank account will be electronically credited for the maximum amount for the vendor's peer group. You will still incur returned check fees, if applicable, from your bank.

If you choose not to participate in the ACH process you can continue to fill out the Request for Reimbursement Form in Appendix H to receive reimbursement for rejected checks.

The vendor must contact the State Agency to resolve all other non-payment issues. If the vendor believes that an error was not committed and that payment is due, then the vendor must contact the State Agency for a review of the check.

In order for corrections or adjustments to be considered, requests must reach the State Agency within 30 days of the "Vendor Must Deposit by:" date as printed on the check. The vendor completes a Request for Reimbursement form. This form is only to be filled out in cases of extenuating circumstances. Simple processing errors or omissions are not considered extenuating.

The USDA Regional Office must approve payments totaling over \$500.00 that are more than 30 days past the "Vendor must Deposit by;" date.

If it is determined that a check is to be reimbursed, a replacement check will be issued by the State Agency and sent to the vendor for deposit. Replacement checks will be processed through the federal banking system.

**AUTHORIZATION AGREEMENT FOR AUTOMATED CLEARING HOUSE (ACH)
TRANSACTIONS**

Vendor Name _____ Vendor ID# _____

Email Address _____
(For access to WICbanking.com)

I hereby authorize **Kansas Department of Health and Environment (KDHE)** to initiate credit entries to the account indicated below at the Bank named below and to credit the same to such account. I acknowledge that the origination of ACH transactions to the account must comply with the provisions of U.S. law.

Bank Name _____

City _____ State _____ Zip _____

Routing Number _ _ _ _ _

Account Number _ _ _ _ _
(Please be sure that this account can accept direct deposits)

This authorization is to remain in full force and effect until KDHE has received written notification from me of its termination in such time and in such manner as to afford KDHE and Bank a reasonable opportunity to act on it.

Printed Name _____

Signature _____ Date _____

Request for Reimbursement Form

Vendor Contact Name:

Phone #:

E-mail:

Vendor Stamp

City

County

A
T
T
A
C
H

C
H
E
C
K

H
E
R
E

Attach Cash Register Receipt Here

Mail to:

KDHE – BFH – Nutrition and WIC Services

1000 SW Jackson, Suite 220

Topeka KS 66612

Please describe the extenuating circumstance that led to the rejection of the check. Explain your plan of action for re-training employees to avoid a repeat of this error in the future.

☐ **ACH Appeal – Attach Copy of Check and Receipt**

ACH Payment amount received: \$ _____

Additional Payment requested: \$ _____

*** STATE AGENCY USE ***

Completed review of check. Findings are as follows:

☐ **Approved** Date _____ Initials: _____

☐ Reimbursed full amount. \$ _____

☐ Reimbursed reduced amount. \$ _____

☐ **Denied** Date _____ Initials: _____

☐ Sold over quantity of items listed on check.

☐ Sold products not listed on WIC check.

☐ Missing client signature after deposit.

☐ Other:

State Agency Comments: _____

Appendix I

KANSAS WIC PROGRAM MINIMUM STOCK EXEMPTION FORM

I, _____, an authorized representative of _____ located at

Street Address

City

State

Zip

County

request an exemption from the minimum stock requirements of the Kansas WIC program. I am requesting this exemption for the product(s) noted below due to a lack of demand for infant formula at the store located at the address indicated above.

Products selected are approved for exemption:

Gerber Good Start Soy	<input type="checkbox"/> Powder	<input type="checkbox"/> Concentrate
Similac Advance	<input type="checkbox"/> Powder	<input type="checkbox"/> Concentrate
Similac Sensitive Fussiness & Gas	<input type="checkbox"/> Powder	
Baby food	<input type="checkbox"/>	

I understand and agree:

- This exemption is for this location only and is for the indicated product(s) only.
- If a WIC client or a WIC staff member requests a specific infant formula (as listed above) the requested product will be ordered at once.
- Every effort will be made to make the requested product available to participants within 72 hours of the request.
- Any abuse of this exemption may result in the revocation of the exemption and may also result in disciplinary action against the store.
- This exemption may be revoked at any time at the discretion of the WIC program.

Signature of Authorized Store Representative

Date

Local Agency Approval:

Name of Authorized Local Agency WIC Staff

Date

A copy of this form must be maintained and available for review at the site of the WIC vendor.

A copy of this form must be on file at Local and State Agency levels.